

**LETTER OF FINDINGS NUMBER: 96-0364 GIT**

**Income Tax**

**For The Period: September 30, 1991 And 1992**

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**ISSUE**

**I. Gross Income Tax – Addback for net book value of fixed assets**

**Authority:** IC 6-2.1-8-10; IC 6-8.1-3-3

Taxpayer protests the amount added back in the value of fixed assets sold.

**II. Tax Administration – Negligence penalty**

**Authority:** IC 6-8-1-10.2.1; 45 IAC 15-11-2

Taxpayer protest the penalty assessment.

**STATEMENT OF FACTS**

Taxpayer is a Delaware corporation. The company operates approximately 480 subsidiaries and affiliates in North America and 110 operating locations outside North America.

Taxpayer is one of the largest publicly held companies engaged in providing waste services.

**I. Gross Income Tax – Addback for net book value of fixed assets**

Taxpayer states the auditor assumed that the change in net book value of fixed assets on the balance sheet reflected a sale or transfer of assets. The auditor indicates that during the audit period he utilized an estimate based on the change in net book value of two districts assets in the absence of information regarding the value of the assets sold.

The auditor has proposed to reverse the assessment based on taxpayer's protest and the information provided.

**FINDINGS**

Taxpayer's protest is sustained.

**II. Tax Administration – Penalty**

The issue is moot as the entire assessment has been cancelled.